

## Message Text

CONFIDENTIAL

PAGE 01 PONTA 00303 230657Z

15

ACTION EUR-12

INFO OCT-01 ISO-00 SAM-01 TRSY-02 SP-02 AID-05 EB-07

NSC-05 CIEP-01 SS-15 STR-04 OMB-01 CEA-01 COME-00

CIAE-00 INR-07 NSAE-00 DODE-00 L-03 H-02 /069 W

----- 044944

R 222249Z AUG 75

FM AMCONSUL PONTA DELGADA

TO SECSTATE WASHDC 1241

INFO COMUSFORAZ

AMEMBASSY LISBON

USCINCEUR

C O N F I D E N T I A L PONTA DELGADA 303

EO 11652: GDS

TAGS: PINT, ECON, COMPO

SUBJECT: ECONOMIC VIABILITY OF AZORES

1. DOCTOR NORMAN BAILEY AND EDMOND TONDU OF BKW ASSOCIATES, INC., WASHINGTON BASED MANAGEMENT CONSULTANT FIRM, ARE IN THE AZORES PERSUING ECONOMIC STUDY STARTED SEVERAL YEARS AGO AT REQUEST OF CAETANO GOVERNMENT. BAILEY SAYS FIRM NOW ATTEMPTING COMPLETE STUDY IN ORDER TO PERSUADE WHATEVER GOVERNMENT MAY EMERGE IN AZORES TO RETAIN FIRM AS ECONOMIC ADVISORS. BAILEY AND TONDY HAVE BEEN TALKING TO GOOD NUMBER OF PEOPLE IN PONTA DELGADA AND DANGRA. MANY ESPECIALLY ONTERCEIRA, HAVE ASSUMED THEY ARE CIA AGENTS.

2. BAILEY BELIEVES AZORES ECONOMICALLY VIABLE AND PROFITABLE TO LISBON. HE DESCRIBES PRESENT ECONOMIC RELATIONSHIP BETWEEN LISBON AND AZORES AS 18TH CENTURY MERCANTILISM. BAILEY SAYS INDEPENDENT AZORES WOULD FACE IMMEDIATE PROBLEMS OF LACK OF COMMUNICATIONS, TRANSPORTATION AND NEED FOR FINANCIAL CREDITS AND NEW MARKETS. TRANSPORTATION COULD BE CHARTERED, CRIDITS COULD BE OBTAINED AND MARKET EXISTS FOR AZOREAN PRODUCTS. HOWEVER, ALL COMMUNICATIONS GO THROUGH LISBON WHICH WOULD PRESENT A DIFFICULT PROBLEM. BAILEY AND TONDU BELIEVE THAT ECONOMICALLY AZORES WOULD BE BETTER OFF INDEPENDENT THAN AUTONOMOUS SINCE AUTONOMY  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PONTA 00303 230657Z

WILL TAKE MONTHS TO ESTABLISH AND COULD BE REVOKED AT ANY TIME.

IT THUS WOULD NOT PROVIDE STABILITY NECESSARY FOR INVESTMENT AND GROWTH.

3. BAILEYN CREDIT MANAGER OF BANCO PORTUGUESE DO ATLANTICO WHO DESCRIBED RECENT IN DEPTH STUDY OF TOTAL COMMERCIAL AND FINANCIAL RELATIONSHIP BETWEEN AZORES AND CONTINENTAL PORTUGAL. REPORTEDLY GOP HAS NOT PERMITTED PUBLICATION OF STUDY WHICH CONCLUDED THAT CONTINENTAL PORTUGAL GAINS ABOUT 280 MILLION DOLLARS PER YEAR FROM AZORES.

4. COMMENT: WE DO NOT KNOW HOW MANY PEOPLE MAY BE AWARE OF BANCO PORTUGUESE DO ATLANTICO STUDY BUT KNOWLEDGE OF ITS CONCLUSIONS WOULD FUEL FIRES FOR INDEPENDENCE. BAILEY AND TONDU'S VIEW ON AZOREAN ECONOMIC VIABILITY ALSO WOULD ENCOURAGE INDEPENDENCE MOVEMENT IF WIDELY KNOWN.

5. FOR LISBON: IF EMBASSY CAN OBTAIN COPY OF BANCO PORTUGUESE DO ATLANTICO STUDY, PLEASE SEND CONSULATE COPY.  
PFEIFLE

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC CONDITIONS, ECONOMIC REPORTS, SELFDETERMINATION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 AUG 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** johnsorg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975PONTA00303  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750292-0492  
**From:** PONTA DELGADA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750827/aaaaawzm.tel  
**Line Count:** 80  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** johnsorg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 17 JUN 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <17 JUN 2003 by WorrelSW>; APPROVED <24 DEC 2003 by johnsorg>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ECONOMIC VIABILITY OF AZORES  
**TAGS:** PINT, ECON, PO, BKW ASSOCIATES INC, (BAILEY, NORMAN), (TONDU, EDMOND)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006